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**NEWS RELEASE**

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**COUPLE SENTENCED IN MULTI-STATE VACATION SCAM**

SACRAMENTO---United States Attorney McGregor W. Scott announced today that SHERYL DENISE DAVIS, 50, and DANIEL WALLACE SMITH, 43, previously of Sacramento, California and Fernley, Nevada, were sentenced this morning to serve terms in federal prison on fraud charges stemming from a nationwide vacation fraud scam. The pair had been indicted by a federal grand jury on September 30, 2004, after being arrested at the Silver Legacy Hotel and Casino on November 21, 2004. They both pleaded guilty in December to felony charges. DANIEL WALLACE SMITH pleaded guilty to two counts of mail fraud, and SHERYL DENISE DAVIS pleaded guilty to conspiracy to commit mail fraud.

United States District Judge William B. Shubb sentenced DANIEL WALLACE SMITH to 35 months in prison and SHERYL DENISE DAVIS to 28 months in prison. Both were ordered to pay \$122,100 in restitution to victims.

The case is the product of an extensive investigation by the U.S. Postal Inspection Service.

According to Assistant United States Attorneys Robin Taylor and Matthew Stegman, who prosecuted the case, the defendants defrauded customers who purchased vacation packages, hotel accommodations, car rentals, gift certificates, and other services. The defendants advertised these items and services in major newspapers throughout the country, including the Arizona Daily Star, the Arizona Republic, the Chicago Sun Times, the Los Angeles Times, the San Diego Union Tribune, and the San Jose Mercury News.

The defendants offered vacations in locations such as Hawaii, Las Vegas, and advertised hotel stays at chains including Hilton Hotels and Holiday Inns. These ads contained numerous false statements, and instructed customers to send checks and money orders to private postal mail boxes which the defendants opened for this purpose. Although DAVIS and SMITH were paid for their services, they failed to deliver the goods or services.

To further the conspiracy and fraud, the defendants used a number of fraudulent business names, such as Vacation Properties International, SFS, SFS Promotions, SFS Products, SFS Productions, SFS International, Resort Promotions International, and National Casino Promotions.

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